

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Joint Application of Lodi Gas Storage, L.L.C., Western Hub Properties L.L.C., and WHP Acquisition Company, LLC, to Transfer Control of Lodi Gas Storage, L.L.C., to WHP Acquisition Company, LLC, Which Will Occur Indirectly as a Result of the Purchase of Western Hub Properties L.L.C. by WHP Acquisition Company, LLC, Pursuant to Public Utilities Code Section 854(a) and of Lodi Gas Storage, L.L.C. for Approval of a Secured Long-Term Financing Pursuant to Public Utilities Code Sections 816, 817, 818, 823 and 851.

Application 01-09-045  
(Filed September 28, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING  
GRANTING LEAVE TO FILE CONFIDENTIAL MATERIALS UNDER SEAL**

By motion jointly filed on September 28, 2001, Lodi Gas Storage, L.L.C. (LGS), Western Hub Properties, L.L.C. (Western Hub), and WHP Acquisition Company, LLC (WHP) request leave to file under seal certain materials in three exhibits to their application in this proceeding. Specifically, these joint applicants ask for confidential treatment of the following documents: financial statements of Lodi and Western Hub (Exhibit 8); limited portions of the August 22, 2001 Unit Purchase Agreement executed by Western Hub, its owners/unit holders and WHP (Exhibit 9); and limited portions of the Indicative Terms and

Conditions pertaining to a proposed long-term financing agreement (Exhibit 11<sup>1</sup>). Redacted versions of Exhibits 9 and 11 were filed with the application on September 28. Exhibit 8, and the unredacted text of Exhibits 9 and 11 were tendered under seal as attachments to the motion. The motion is unopposed.

The joint applicants note that LGS will be engaged in competitive gas storage upon completion of its gas storage project, will charge market-based rates, and thus, will be exposed entirely to market risk. The Commission approved these market-based service terms in Decision (D.) 00-05-048, which also granted LGS a certificate of public convenience and necessity. As the joint applicants further note, two of LGS' existing competitors are similarly at risk, Wild Goose Gas Storage and Pacific Gas and Electric Company (for noncore storage capacity). Were the financial statements, purchase agreement and debt financing arrangement at issue to be disclosed publicly, joint applicants assert, the information contained in them would advantage LGS' competitors to LGS' commercial detriment. The information would be useful in determining LGS' economics, estimating LGS' fixed and marginal costs, and devising pricing strategies to compete with LGS. Moreover, public disclosure of the information would also put the parties to these agreements at a competitive disadvantage with respect to other transactions of a similar nature, according to joint applicants.

The Commission has generally granted leave, under General Order 66-C and authority cited there, for the filing under seal of unredacted documents containing various kinds of commercially sensitive information which, if

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<sup>1</sup> The joint motion, no doubt inadvertently, indicates that the Indicative Terms and Conditions constitute Exhibit 12, rather than 11.

disclosed, would place a regulated company at an unfair business disadvantage. Joint applicants have made a prima facie case that the information at issue should be filed under seal and a public hearing on the motion is not needed. Accordingly, the motion to file under seal is granted to the extent set out in the ruling paragraphs below.

**IT IS RULED** that:

1. The September 28, 2001 motion of Lodi Gas Storage, L.L.C., (LGS) Western Hub Properties, L.L.C., (Western Hub) and WHP Acquisition Company, LLC (WHP) for leave to file confidential materials under seal is granted, as further specified in these ruling paragraphs. Joint applicants may file the following documents under seal:

- (a) The financial statements of LGS and Western Hub (Exhibit 8 of the application in this proceeding);
- (b) The unredacted text of the August 22, 2001 Unit Purchase Agreement Pacific executed by Western Hub, its owners/unit holders and WHP (Exhibit 9 of the application in this proceeding); and
- (c) The unredacted text of the Indicative Terms and Conditions pertaining to the proposed long-term financing agreement (Exhibit 11 of the application in this proceeding).

2. The documents identified above shall remain under seal for a period of two years from the date of this ruling.

3. During the two-year period, the documents identified above shall not be made accessible or disclosed to anyone other than Commission staff except pursuant to (a) the further order or ruling of the Commission, the Assigned Commissioner, the assigned ALJ, or the ALJ then designated as Law and Motion Judge, or (b) the terms of a reasonable nondisclosure agreement for purposes of this proceeding. Any party intending to include information, which this ruling

places under seal, in any document submitted for filing in this proceeding shall submit the unredacted version of the document under seal, together with a redacted version for the public record.

4. If joint applicants, or any of them, believe that the information which this ruling places under seal should be protected beyond two years, they may file a motion stating the justification for further withholding the documents from public inspection.

Dated January 4, 2002, at San Francisco, California.

/s/ JEAN VIETH

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Jean Vieth  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Leave to File Confidential Materials Under Seal on all parties of record in this proceeding or their attorneys of record.

Dated January 4, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.